

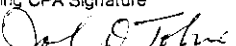
# **Tobin & Co.**

Long Lake Township

Grand Traverse County, Michigan

Audit Report

For the Year Ended June 30, 2006

We have enclosed the following:		Enclosed	Not Required (enter a brief justification)	
Financial Statements		<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations		<input checked="" type="checkbox"/>		
Other (Describe)		<input type="checkbox"/>		
Certified Public Accountant (Firm Name)			Telephone Number	
Tobin & Co., P.C.			231-947-0151	
Street Address			City	State      Zip
400 E. Eighth St.			Traverse City	MI      49686
Authorizing CPA Signature		Printed Name		License Number
		JOHN D. TOBIN		1101005221

# Tobin & Co.

## Table of Contents

### INTRODUCTORY SECTION

Comments and Recommendations	4 – 5
------------------------------	-------

### FINANCIAL SECTION

Accountant's Report	7
Management's Discussion and Analysis	8 – 10

#### Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12

Governmental Funds:	
Balance Sheet	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances	15

Manhattan Dnplex Fund:	
Statement of Net Assets	16
Statement of Revenues, Expenses and Changes in Net Assets	17
Statement of Cash Flows	18

Fiduciary Funds:	
Statement of Fiduciary Net Assets	19

Notes to Basic Financial Statements	20 – 25
-------------------------------------	---------

### SUPPLEMENTAL DATA SECTION

Required Supplementary Information:	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budgeted and Actual	
1 - General Fund	27 – 31
2 - Fire and Safety Fund	32
3 - Public Improvement Fund	33
4 - Old Mill Drive	34
5 - Combining Balance Sheet – Non-major Governmental Funds	35
6 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	36
7 - Combining Balance Sheet – Township Improvement Revolving Fund	37
8 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Township Improvement Revolving Fund	38

#### Other Supplementary Information

9 - Combining Statement of Changes in Assets and Liabilities – All Agency Funds	39
10 - 2005 Property Tax Levy and Collection	40
11 - Property Tax Administration Fees	41

---

# **Tobin & Co.**

## INTRODUCTORY SECTION

# **Tobin & Co.**

## Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of Long Lake Township, Grand Traverse County, for the year ended June 30, 2006 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Long Lake Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

Your Clerk, Treasurer and Deputies maintain receipts journals, disbursements journals, general ledgers and account books prescribed in the Uniform Accounting Procedures developed by the State Department of Treasury. The records were well maintained. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, Board minutes were maintained in proper order, and supporting documents and follow-up procedures appeared to be in very good order.

### Budgets and Procedures

The Township prepared and adopted budgets for its General and Special Revenue Funds. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. Two cost centers exceeded their expenditure budgets as a result of adjustments in connection with the audit.

### General Fund

The General Fund is presented on Schedule 1 of this report. The fund balance at June 30, 2006 was \$374,872. Revenues amounted to \$1,311,961. There were transfers amounting to \$10,000 to the Retiree's Insurance Fund and \$14,000 to the Public Improvement Fund.

### Fire and Police Fund

This fund, permitted by statute, was established to account for monies collected from property tax assessments for fire and police protection. The fund received \$274,500 in property tax revenues and expended \$246,929 for fire and police protection during the year. The fund balance at June 30, 2006 was \$139,512.

### Budget Stabilization Fund

This fund is used by the Township to set aside a portion of the General Fund surplus for future budgetary needs. The fund is permitted by statute. The fund had no activity during the year. The fund balance at June 30, 2006 was \$87,200.

### Improvement Revolving Fund

This fund, permitted by statute, may be used to set aside monies for Township improvements. No more than the equivalent of 2 mills of the taxable value may be placed in the fund in one year, and the total may not exceed 5 mills of the current valuation. The statute also permits the Township Board to return portions to the General Fund at any time. The fund is classified as a Special Revenue Fund for which a budget is required.

Transfers to the General Fund from Special Assessments funds amounted to \$6,595 for the year.

### Metro Act Fund

This fund was established to account for revenues received from the State of Michigan. The funds must be used to improve public right-of-ways. The fund balance at June 30, 2006 was \$32,863.

# **Tobin & Co.**

## Comments and Recommendations

### Library Building Fund

This fund was established to account for funds to be used for the construction of a District Library facility. During the year donations amounting to \$21,034 were returned to donors. The fund balance at June 30, 2006 was \$46,676.

### Enterprise Fund

The township owns a duplex adjacent to the Township Park. The duplex is currently being rented with the intention that it will ultimately become part of the existing park. The net assets of the fund at June 30, 2006 were \$109,967.

### Capital Assets

Capital assets are included in the Statement of Net Assets at their cost less accumulated depreciation. See Note 4 to the Financial Statements for a statement of changes in capital assets during the year.

### Property Tax Collections

The collection and distribution of the 2005 tax levy was handled in an excellent manner by the Township Treasurer. Paid receipts were filed in order of payment, bundled by deposit and supported by adding machine tapes. Deposits were made timely and intact. Distributions to taxing units during the collection period were in accordance with statutory requirements.

See Schedule 10 for a summary of the 2005 tax levy and collections.

### Property Tax Administration Fees

The statutory 1% administration fee may be used only to offset tax assessment and collection expenses. As of June 30, 2006 expenditures exceeded collections by an accumulated total of \$258,945. See Schedule 11.

### Payroll Procedures

The Clerk maintains excellent payroll records. Payroll withholdings were promptly remitted to various agencies and required reports were prepared and submitted. The Clerk's efforts are commendable.

### Investments

The Township has investments totaling approximately \$602,000 with a local investment firm. Investments must be reported at fair market value. At year end there was an unrealized loss in value of \$17,791. It is the responsibility of the Board to insure that all Township investments are permitted by statute and that public funds are properly insured and safeguarded.

### Insurance and Surety Bond Coverage

Records indicate that the Township is insured through Municipal Underwriters of Michigan and has such coverage as fire and extended coverage, general liability, errors and omissions, workmen's compensation, equipment and crime coverage. Board minutes indicate that coverage was reviewed during the audit year. The Clerk, Treasurer, and their deputies have surety bond coverage. The Township also provides medical insurance coverage.

### Other Data

We are pleased to note the use of interest bearing depository accounts, and the purchase of investments from temporary surplus funds. This resulted in earned interest of nearly \$32,000 during the audit year. This is commendable on the part of the Treasurer and other Board members.

After completion of our audit, we will mail the necessary copies of our report to the State Department of Treasury.

We again commend the Clerk and Treasurer for the condition of the Township accounting records. We further appreciate the courtesy extended our field examiners in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

---

# **Tobin & Co.**

## FINANCIAL SECTION

# **Tobin & Co.**

## REPORT OF INDEPENDENT AUDITOR

To the Township Board  
Long Lake Township  
Grand Traverse County  
Grawn, Michigan 49637

We have audited the basic financial statements of Long Lake Township as of and for the year ended June 30, 2006, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of such funds of Long Lake Township at June 30, 2006, and the results of operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Long Lake Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Tobin & Co., P.C.*

TOBIN & CO., P.C.  
Certified Public Accountants  
November 23, 2006



# Tobin & Co.

## Long Lake Township Management Discussion and Analysis Letter Fiscal Year 7/1/05 through 6/30/06

As the Supervisor, Clerk, and Treasurer of Long Lake Township we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Long Lake Township for the fiscal year ended June 30, 2006.

### Financial Highlights

- The assets of Long Lake Township exceeded its liabilities at the close of the most recent fiscal year by \$2,164,472 (*net assets*). Of this amount, \$888,757 may be used to meet the Township's ongoing obligations to citizens and creditors.
- As of the close of the fiscal year, Township's governmental funds reported combined ending fund balances of \$836,518, an increase of \$40,625 in comparison with the prior year. Approximately \$385,676 of the total amount is available for spending at the Township's discretion.
- At the end of the fiscal year, unreserved fund balance for the general fund was \$374,872, or 30% of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Long Lake Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, road projects, cemetery, culture and recreation. The business-type activities of the Township include rental of the residential duplex.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Long Lake Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Long Lake Township maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Budget Stabilization Fund, Fire and Safety Fund, and the Old Mill Fund which are considered to be major funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

# Tobin & Co.

## Condensed Financial Information

### Long Lake Township Net Assets

	Governmental Activities 2006	Governmental Activities 2005	Business-type Activities 2006	Business-type Activities 2005	Total 2006	Total 2005
Current Assets	\$ 899,137	\$ 881,402	\$ 18,691	\$ 16,888	\$ 917,828	\$ 898,290
Capital Assets	<u>1,183,814</u>	<u>1,183,827</u>	<u>91,901</u>	<u>96,269</u>	<u>1,275,715</u>	<u>1,280,096</u>
Total Assets	2,082,951	2,065,229	110,592	113,157	2,193,543	2,178,386
Current Liabilities	<u>28,446</u>	<u>16,743</u>	<u>625</u>	<u>300</u>	<u>29,071</u>	<u>17,043</u>
Total Liabilities	28,446	16,743	625	300	29,071	17,043
Net Assets:						
Invested in Capital Assets	1,183,814	1,183,817	91,901	96,269	1,275,715	1,280,096
Unrestricted	<u>870,691</u>	<u>864,659</u>	<u>18,066</u>	<u>16,588</u>	<u>888,757</u>	<u>881,247</u>
Total Net Assets	<u>\$ 2,054,505</u>	<u>\$ 2,048,486</u>	<u>\$ 109,967</u>	<u>\$ 112,857</u>	<u>\$ 2,164,472</u>	<u>\$ 2,161,343</u>

	Governmental Activities 2006	Governmental Activities 2005	Business-type Activities 2006	Business-type Activities 2005	Total 2006	Total 2005
Program Revenues:						
Fees and Charges for Services	\$ 130,778	\$ 151,393	\$ 13,850	\$ 12,650	\$ 144,628	\$ 164,043
Operating Grants and Contributions	13,570	48,696	-	-	13,570	48,696
General Revenues:						
Property Taxes	594,763	532,612	-	-	594,763	532,612
Grants Not Restricted to Specific Programs	554,153	516,886	-	-	554,153	516,886
Unrestricted Investment Earnings	31,546	32,667	410	214	31,956	32,881
Miscellaneous	<u>260,539</u>	<u>26,809</u>	<u>-</u>	<u>-</u>	<u>260,609</u>	<u>26,809</u>
Total Revenues	<u>1,585,349</u>	<u>1,309,063</u>	<u>14,260</u>	<u>12,864</u>	<u>1,599,609</u>	<u>1,321,927</u>
Program Expenses:						
General Government and Administration	755,971	588,689	16,269	8,690	772,240	597,379
Public Safety	709,447	409,112	-	-	709,447	409,112
Public Works	15,765	38,999	-	-	15,765	38,999
Recreation and Cultural	<u>99,350</u>	<u>66,317</u>	<u>-</u>	<u>-</u>	<u>99,350</u>	<u>66,317</u>
Total Expenses	<u>1,580,533</u>	<u>1,103,117</u>	<u>16,269</u>	<u>8,690</u>	<u>1,596,802</u>	<u>1,111,807</u>
Increase in Net Assets Before Transfers	4,816	205,946	(2,009)	4,174	2,807	210,120
Transfers	<u>881</u>	<u>5,791</u>	<u>(881)</u>	<u>(5,791)</u>	<u>-</u>	<u>-</u>
Increase in Net Assets	5,697	211,737	(2,890)	(1,617)	2,807	210,120
Net Assets July 1	<u>2,048,808</u>	<u>1,837,071</u>	<u>112,857</u>	<u>114,474</u>	<u>2,161,665</u>	<u>1,951,545</u>
Net Assets June 30	<u>\$ 2,054,404</u>	<u>\$ 2,048,808</u>	<u>\$ 109,967</u>	<u>\$ 112,857</u>	<u>\$ 2,164,472</u>	<u>\$ 2,151,665</u>

# **Tobin & Co.**

## **Financial Analysis of the Township's Funds**

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$836,518, an increase of \$40,625 in comparison with the prior year.

Approximately eighty-five percent of the total amount, \$711,040, constitutes unreserved fund balance, which is available for spending at the Township's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of other restricted purposes.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$374,872 and the total fund balance was \$374,872. Unreserved fund balance represents twenty-nine percent of total general fund expenditures. The fund balance of the Township's general fund decreased by \$10,804 during the current fiscal year. Key factors were significant legal fees in connection with planning and zoning matters.

Proprietary Fund. The Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Manhattan Duplex Fund at the end of the year amounted to \$109,967. The decrease in net assets was \$2,890. There was no significant change in the fund activity during the year.

General Fund Budgetary Highlights. Differences between the original budget and the final amended budget were \$55,500 of increases in appropriations and can be briefly summarized as significant, unplanned legal costs in connection with planning and zoning matters.

## **Capital Asset and Debt Administration**

Capital Assets. The Township's investment in capital assets for its governmental and business type activities as of June 30, 2006, amounts to \$1,275,716 (net of accumulated depreciation). This investment in capital assets includes: (land, building and improvements, vehicles, and equipment). The total increase in the Township's investment in capital assets for the current fiscal year was two percent.

Major capital asset events during the fiscal year included a federal grant of approximately \$31,000 for voting machines.

Details of the Township's capital assets are contained in the notes to the financial statements on page 22.

The Township has no long-term debt.

## **Requests for Information**

This financial report is designed to provide a general overview of Long Lake Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Karen Rosa, Supervisor, Long Lake Township, 8870 North Long Lake Road, Traverse City, MI 49684.

# Tobin & Co.

Long Lake Township  
Statement of Net Assets  
June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 262,691	\$ 18,691	\$ 281,382
Investments	602,273	-	602,273
Accounts Receivable	20,434	-	20,434
Prepaid Expenses	13,739	-	13,739
Capital Assets:			
Land	974,700	20,000	994,700
Other Capital Assets, Net of Depreciation	<u>209,114</u>	<u>71,901</u>	<u>281,015</u>
Total Assets	<u>2,082,951</u>	<u>110,592</u>	<u>2,193,543</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	<u>28,446</u>	<u>625</u>	<u>29,071</u>
Total Liabilities	<u>28,446</u>	<u>625</u>	<u>29,071</u>
<u>Net Assets</u>			
Invested in Capital Assets	1,183,814	91,901	1,275,715
Unrestricted	<u>870,691</u>	<u>18,066</u>	<u>888,757</u>
Total Net Assets	<u>\$ 2,054,505</u>	<u>\$ 109,967</u>	<u>\$ 2,164,472</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Statement of Activities June 30, 2006

Functions/Programs	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Legislative	\$ 227,279	\$ -	\$ -	\$ (227,279)	\$ -	\$ (227,279)
General Government	528,692	-	11,359	(517,333)	-	(517,333)
Public Safety	709,447	130,778	-	(578,669)	-	(578,669)
Public Works	15,765	-	2,211	(13,554)	-	(13,554)
Recreation and Cultural	<u>99,350</u>	<u>-</u>	<u>-</u>	<u>(99,350)</u>	<u>-</u>	<u>(99,350)</u>
Total Governmental Activities	<u>1,580,533</u>	<u>130,778</u>	<u>13,570</u>	<u>(1,436,185)</u>	<u>-</u>	<u>(1,436,185)</u>
Business-type Activities:						
Duplex Rental	<u>16,269</u>	<u>13,850</u>	<u>-</u>	<u>-</u>	<u>(2,419)</u>	<u>(2,419)</u>
General Revenues:						
Property Taxes				594,763	-	594,763
Grants and Contributions Not Restricted To Specific Programs				554,153	-	554,153
Unrestricted Investment Earnings				31,546	410	31,956
Miscellaneous				<u>260,539</u>	<u>-</u>	<u>260,539</u>
Total General Revenues				1,441,001	410	1,441,411
Transfers				<u>881</u>	<u>(881)</u>	<u>-</u>
Change in Net Assets				5,697	(2,890)	2,807
Net Assets – Beginning				<u>2,048,808</u>	<u>112,857</u>	<u>2,161,665</u>
Net Assets – Ending				<u>\$ 2,054,505</u>	<u>\$ 109,967</u>	<u>\$ 2,164,472</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Balance Sheet Governmental Funds June 30, 2006

	<u>General</u>	<u>Fire and Safety</u>	<u>Public Improvement</u>	<u>Old Mill</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>						
Cash and Cash Equivalents	\$ 53,259	\$ 139,512	\$ -	\$ 5,852	\$ 64,068	\$ 262,691
Investments	349,129	-	94,439	-	158,705	602,273
Accounts Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	<u>\$ 402,388</u>	<u>\$ 139,512</u>	<u>\$ 94,439</u>	<u>\$ 5,852</u>	<u>\$ 222,773</u>	<u>\$ 864,964</u>
<b><u>Liabilities and Fund Balances</u></b>						
<b><u>Liabilities:</u></b>						
Accounts Payable	\$ 27,516	\$ -	\$ -	\$ -	\$ -	\$ 27,516
Escrow Deposits	-	-	-	-	728	728
Due to Other Funds	-	-	-	-	202	202
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	<u>27,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>930</u>	<u>28,446</u>
<b><u>Fund Equity:</u></b>						
Fund Balance	<u>374,872</u>	<u>139,512</u>	<u>94,439</u>	<u>5,852</u>	<u>221,843</u>	<u>836,518</u>
Total Fund Equity	<u>374,872</u>	<u>139,512</u>	<u>94,439</u>	<u>5,852</u>	<u>221,842</u>	<u>836,518</u>
Total Liabilities and Fund Balances	<u>\$ 402,388</u>	<u>\$ 139,512</u>	<u>\$ 94,439</u>	<u>\$ 5,852</u>	<u>\$ 222,773</u>	
Amounts reported for governmental activities on the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.						1,183,814
Some accounts receivable used in governmental activities are not financial resources and therefore are not reported in the funds.						20,434
Some prepaid expenses used in governmental activities are not financial resources and therefore are not reported in the funds.						13,739
Net assets of governmental activities.						<u>\$ 2,054,505</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Long Lake Township Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2006

	<u>General</u>	<u>Fire and Safety</u>	<u>Public Improvement</u>	<u>Old Mill</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>						
Taxes	\$ 320,263	\$ 274,500	\$ -	\$ -	\$ -	\$ 594,763
Licenses and Permits	117,601	-	-	-	-	117,601
State Grants	554,153	-	-	-	21,453	575,606
Charges for Services	31,682	-	-	-	-	31,682
Interest and Rents	38,997	1,133	-	17	19	40,166
Other	<u>249,265</u>	<u>-</u>	<u>-</u>	<u>2,654</u>	<u>2,211</u>	<u>254,130</u>
Total	<u>1,311,961</u>	<u>275,633</u>	<u>-</u>	<u>2,671</u>	<u>23,683</u>	<u>1,613,948</u>
<u>Expenditures</u>						
Legislative	221,847	-	-	-	-	221,847
General Government	323,398	-	-	-	-	323,398
Public Safety	424,656	246,929	-	-	-	671,585
Public Works	15,765	-	-	-	-	15,765
Recreation and Cultural	69,874	-	-	-	21,034	90,908
Other Functions	217,082	-	-	-	-	217,082
Capital Outlay	<u>33,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,619</u>
Total	<u>1,306,241</u>	<u>246,929</u>	<u>-</u>	<u>-</u>	<u>21,034</u>	<u>1,574,204</u>
Excess Revenues (Expenditures) and Net Change in Fund Balances	<u>5,720</u>	<u>28,704</u>	<u>-</u>	<u>2,671</u>	<u>2,649</u>	<u>39,744</u>
<u>Other Financing Sources (Uses)</u>						
Operating Transfers In	7,476	-	14,000	-	10,000	31,476
Operating Transfers Out	<u>(24,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,595)</u>	<u>(30,595)</u>
Total	<u>(16,524)</u>	<u>-</u>	<u>14,000</u>	<u>-</u>	<u>3,405</u>	<u>881</u>
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	<u>(10,804)</u>	<u>28,704</u>	<u>14,000</u>	<u>2,671</u>	<u>6,054</u>	<u>40,625</u>
Fund Balance – Beginning of Year	<u>385,676</u>	<u>110,808</u>	<u>80,439</u>	<u>3,181</u>	<u>215,789</u>	<u>795,893</u>
Fund Balance – End of Year	<u>\$ 374,872</u>	<u>\$ 139,512</u>	<u>\$ 94,439</u>	<u>\$ 5,852</u>	<u>\$ 221,843</u>	<u>\$ 836,518</u>

See Accompanying Notes to Basic Financial Statements

---

## **Tobin & Co.**

Long Lake Township  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
Of Governmental Activities  
For the Year Ended June 30, 2006

Net change in fund balances – total governmental funds	\$ 40,625
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(13)
Some accounts receivable used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the amount by which accounts receivable decreased during the year.	(43,243)
Some prepaid expenses used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the amount by which prepaid expenses increased during the year.	<u>5,438</u>
Changes in net assets of governmental activities	<u>\$ 2,807</u>

See Accompanying Notes to Basic Financial Statements



# **Tobin & Co.**

Long Lake Township  
Statement of Net Assets  
Manhattan Duplex Fund  
June 30, 2006

## Assets

Cash and Cash Equivalents	\$ 18,691
Land, Buildings and Equipment	129,184
Accumulated Depreciation	<u>(37,283)</u>
Total Assets	<u>110,592</u>

## Liabilities

Accounts Payable	<u>625</u>
Total Liabilities	<u>625</u>

## Net Assets

Invested in Capital Assets	91,901
Unrestricted	<u>18,066</u>
Total Net Assets	<u>\$ 109,967</u>

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenses and Changes in Net Assets  
Manhattan Duplex Fund  
For the Year Ended June 30, 2006

## Operating Revenues

Rental Income \$ 13,850

Total 13,850

## Operating Expenses

Taxes 2,825

Supplies, Maintenance and Repairs 9,077

Depreciation 4,367

Total 16,269

Operating Income (2,419)

## Non-operating Income

Interest 410

Total 410

## Other Financing Sources

Transfers In -

Transfers Out (881)

Total Other Financing Sources (881)

Net Income (Loss) (2,890)

Net Assets – Beginning of Year 112,857

Net Assets – End of Year \$ 109,967

See Accompanying Notes to Basic Financial Statements

# Tobin & Co.

Long Lake Township  
Statement of Cash Flows  
Manhattan Duplex Fund  
For the Year Ended June 30, 2006

## Operating Activities

Collection of Rent	\$ 13,850
Deduct Expenses Using Cash and Cash Equivalents	<u>(11,577)</u>
Net Cash Flow From Operating Activities	<u>2,273</u>

## Investing Activities

Interest Earned on Investments	<u>410</u>
Net Cash Flow (Used In) Investing Activities	<u>410</u>

## Capital Financing Activities

Operating Transfer Out	<u>(881)</u>
Net Cash Flow From Capital Financing Activities	<u>(881)</u>

<u>Net Increase in Cash and Cash Equivalents</u>	1,802
--	-------

<u>Balance of Cash – Beginning of Year</u>	<u>16,889</u>
--	---------------

<u>Balance of Cash – End of Year</u>	<u>\$ 18,691</u>
--------------------------------------	------------------

## Reconciliation of Change in Net Assets and Net Cash Flow From Operating Activities

Change in Net Assets	\$ (2,890)
Adjustments to Reconcile Net Earnings:	
Depreciation of Building and Equipment	4,367
Increase in Accounts Payable	325
Interest Earned on Investments	(410)
Operating Transfer Out	<u>881</u>
Net Cash Flow from Operating Activities	<u>\$ 2,273</u>

See Accompanying Notes to Basic Financial Statements

# **Tobin & Co.**

## Long Lake Township Statement of Fiduciary Net Assets June 30, 2006

### Assets

Cash	\$ 8.180
Total Assets	<u>8.180</u>

### Liabilities

Undistributed Taxes and Interest	83
Escrow Deposits	<u>8.097</u>
Total Liabilities	<u>8.180</u>
Net Assets	<u>\$ -</u>

See Accompanying Notes to Basic Financial Statements

# **Tobin & Co.**

Long Lake Township  
Notes to Financial Statements  
June 30, 2006

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

Long Lake Township is a general law township located in Grand Traverse County. Population as of the 2000 census was 7,648, and the current state equalized valuation and taxable valuation is \$459,623,900 and \$322,239,280, respectively.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

### **B. Basis of Presentation**

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Proprietary Funds – These funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flows. All assets and liabilities are included in the statement of net assets.

Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

# **Tobin & Co.**

## Long Lake Township Notes to Financial Statements June 30, 2006

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

#### D. Budgets

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year-end.

#### E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns or business-type activities in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	25 years
Building Improvements	10 years
Furniture and Fixtures	10 years
Vehicles	5 years
Equipment	5 -10 years

# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2006

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with a remaining maturity of three months or less when purchased to be cash equivalents.

#### G. Investments

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

#### H. Prepaid Items

Prepaid balances are for payments made by the Township in the current year to provide services accruing in subsequent fiscal years.

#### I. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	\$459,623,900	\$322,239,280	.7012
Fire and Police	\$459,623,900	\$322,239,280	.8499

#### J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at June 30, 2006.
- C. Public Act 621 of 1978, §18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the year ended June 30, 2006, two cost centers exceeded the appropriation without formal budget amendment. In both instances these conditions resulted from year-end account adjustments in connection with the audit.

# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2006

### NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

#### A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) Repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

#### B. Types of Deposits and Investments

The Township had \$386,119 deposited with local financial institutions at June 30, 2006 with a carrying value of \$280,982. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had uninsured deposits of \$186,119 at June 30, 2006. Investments at June 30, 2006 consisted of \$602,273 of investments with a local investment firm. Township officials have been assured that all investments are permitted by State law.

### NOTE 4 - CAPITAL ASSETS

	<u>6/30/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/06</u>
Governmental Activities:				
Land and Improvements	\$ 974,700	\$ -	\$ -	\$ 974,700
Buildings and Improvements	502,538	-	-	502,538
Vehicles and Equipment	106,081	33,619	-	139,700
Total	1,583,319	33,619	-	1,616,938
Less Accumulated Depreciation	(399,492)	(33,632)	-	(433,124)
Governmental Activities Assets, Net	<u>\$ 1,183,827</u>	<u>\$ (13)</u>	<u>\$ -</u>	<u>\$ 1,183,814</u>
Business-type Activities:				
Manhattan Duplex Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Manhattan Duplex	109,184	-	-	109,184
Total	129,184	-	-	129,184
Less Accumulated Depreciation	(32,915)	(4,367)	-	(37,282)
Business-type Activities Capital Assets, Net	<u>\$ 96,269</u>	<u>\$ (4,367)</u>	<u>\$ -</u>	<u>\$ 91,902</u>



# Tobin & Co.

## Long Lake Township Notes to Financial Statements June 30, 2006

### NOTE 5 - LONG-TERM DEBT

The Township has no long-term debt.

### NOTE 6 - LOANS AND TRANSFERS BETWEEN FUNDS

During the year the General Fund appropriated the following amounts:

Retiree Insurance Fund	\$ 10,000
Public Improvement Fund	\$ 14,000

During the year the funds below appropriated the following amounts to the General Fund:

Manhattan Duplex Fund	\$ 881
-----------------------	--------

The General Fund has, over time, made appropriations to the Township Improvement Revolving Fund, which funds were used for Special Assessment District expenditures. It is the intent that the General Fund will be reimbursed as the special assessments are collected. During the year there were two operating transfers to the General Fund amounting to \$6,595.

### NOTE 7 - INVENTORIES

Long Lake Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses when purchased.

### NOTE 8 - RETIREMENT PLAN

The Township has a defined contribution pension plan for Township employees under contract with John Hancock USA. Listed below is a summary of the significant plan provisions adopted by Board resolution in January, 1988:

#### A. Eligibility Requirements

1. Attained age of 18.
2. Full-time employees must have one year of service to participate.
3. All elected officials and full-time employees working 34 hours or more per week.

#### B. Contributions

1. 11% of annual compensation funded entirely by the Township on an annual basis.
2. Compensation determined by the basic annual rate of compensation in effect at the beginning of the plan year.
3. Township pays 100% of required annual contribution.

#### C. Vesting

1. Contributions are vested immediately for elected officials and after one year of continuous service for eligible employees.

#### D. Plan Administration

1. The plan is administered by the Township Clerk.
2. During the year of audit, the total contribution for the plan year, July 1, 2005 to June 30, 2006 was \$35,717. Covered payroll for the year was \$324,700 with total payroll for all employees \$387,024. The plan was funded at the required amount.

# **Tobin & Co.**

## Long Lake Township Notes to Financial Statements June 30, 2006

### NOTE 9- DEFERRED COMPENSATION PLAN

Long Lake Township offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by the Township Clerk and is available to all employees. The plan allows employees to defer a portion of their salary until a future date. It becomes available to the employee at death, termination, retirement or disability.

### NOTE 10- CONTINGENT LIABILITIES

The Township is aware of no contingent liabilities at June 30, 2006.

### NOTE 11- COMPENSATED ABSENCES

The Township has a policy covering vacation, sick leave and longevity. Unused amounts at the end of each fiscal year are forfeited. Therefore, the Township has no liability for accumulated vacation, sick leave, or longevity pay.

### NOTE 12- RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

### NOTE 13- SEGMENT INFORMATION – ENTERPRISE FUND

The Township maintains an enterprise fund to account for duplex rental activity. Segment information for the year ended June 30, 2006 was as follows:

Operating Revenues	\$	13,850
Depreciation and Amortization Expense		4,367
Operating Income		(1,740)
Net Income		(1,330)
Net Working Capital		18,066
Total Assets		110,592
Total Equity		109,967

SUPPLEMENTAL DATA SECTION

# Tobin & Co.

## Long Lake Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended June 30, 2006

Schedule I  
Page 1

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Taxes – Current	\$ 215,122	\$ 215,122	\$ 211,533	\$ (3,589)
Taxes – Delinquent	11,300	11,300	14,997	3,697
Swamp Tax	1,660	1,660	1,667	7
Trailer Park Fees	420	420	526	106
Penalties	1,000	1,000	3,027	2,027
Property Tax Administration Fees	94,274	94,274	88,513	(5,761)
Licenses and Permits:				
Land Use Permits	8,500	8,500	10,100	1,600
Cable Fees	79,500	79,500	107,501	28,001
Federal Grants:				
Elections	-	-	31,411	31,411
State Grants:				
State Shared Revenues	526,918	526,918	522,742	(4,176)
Charges for Services:				
Fees	10,000	10,000	11,920	1,920
Summer Tax	16,828	16,828	16,983	155
Sales	3,000	3,000	2,779	(221)
Interest and Rents:				
Interest	18,000	18,000	30,377	12,377
Rents	8,620	8,620	8,620	-
Other:				
Reimbursements – Fire and Police	-	-	247,183	247,183
Miscellaneous	6,100	6,100	2,082	(4,018)
Total Revenues	<u>1,001,242</u>	<u>1,001,242</u>	<u>1,311,961</u>	<u>310,719</u>
<u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries	-	-	21,349	-
Professional Services	-	-	148,403	-
Association Dues	-	-	29,525	-
Advertising	-	-	6,205	-
Education	-	-	2,614	-
Miscellaneous	-	-	13,751	-
Total	<u>133,500</u>	<u>227,500</u>	<u>221,847</u>	<u>5,653</u>
Total Legislative	<u>133,500</u>	<u>227,500</u>	<u>221,847</u>	<u>5,653</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended June 30, 2006

Schedule 1  
Page 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
General Government:				
Township Supervisor:				
Salaries	-	-	45,650	-
Mileage and Travel	-	-	620	-
Total	<u>47,450</u>	<u>47,450</u>	<u>46,270</u>	<u>1,180</u>
Elections:				
Salaries	-	-	1,080	-
Supplies	-	-	1,497	-
Maintenance and Repairs	-	-	40	-
Total	<u>13,500</u>	<u>7,500</u>	<u>2,617</u>	<u>4,883</u>
Assessor:				
Salaries	-	-	46,597	-
Professional	-	-	801	-
Supplies	-	-	2,794	-
Mileage	-	-	299	-
Education	-	-	673	-
Total	<u>55,140</u>	<u>52,140</u>	<u>51,164</u>	<u>976</u>
Clerk:				
Salaries	-	-	42,825	-
Salaries - Deputy	-	-	9,300	-
Mileage	-	-	615	-
Total	<u>54,500</u>	<u>53,500</u>	<u>52,740</u>	<u>760</u>
Board of Review:				
Salaries	-	-	800	-
Total	<u>1,000</u>	<u>1,000</u>	<u>800</u>	<u>200</u>
Treasurer:				
Salaries	-	-	42,402	-
Supplies	-	-	11,146	-
Contracted	-	-	1,172	-
Mileage	-	-	452	-
Total	<u>54,000</u>	<u>56,000</u>	<u>55,172</u>	<u>828</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended June 30, 2006

Schedule 1  
Page 3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
General Government (Continued):				
Township Hall and Grounds:				
Salaries	-	-	28,789	-
Supplies	-	-	23,817	-
Telephone	-	-	7,347	-
Public Utilities	-	-	10,150	-
Maintenance and Repairs	-	-	41,012	-
Miscellaneous	-	-	395	-
Total	<u>116,960</u>	<u>118,960</u>	<u>111,510</u>	<u>7,450</u>
Cemetery:				
Salaries	-	-	494	-
Public Utilities	-	-	276	-
Maintenance	-	-	1,623	-
Miscellaneous	-	-	732	-
Total	<u>4,900</u>	<u>3,900</u>	<u>3,125</u>	<u>775</u>
Total General Government	<u>347,450</u>	<u>340,450</u>	<u>323,398</u>	<u>17,052</u>
Public Safety:				
Police:				
Contracted	-	-	63,044	-
Total	<u>64,000</u>	<u>64,000</u>	<u>63,044</u>	<u>956</u>
Fire:				
Contractual	-	-	188,992	-
Maintenance	-	-	2,362	-
Travel and Other	-	-	344	-
Miscellaneous	-	-	761	-
Total	<u>220,100</u>	<u>202,100</u>	<u>192,459</u>	<u>9,641</u>
Planning:				
Salaries	-	-	63,531	-
Dues	-	-	838	-
Consultant	-	-	62,567	-
Education	-	-	2,391	-
Total	<u>97,500</u>	<u>123,800</u>	<u>129,327</u>	<u>(5,527)</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual  
General Fund  
For the Year Ended June 30, 2006

Schedule 1  
Page 4

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>Expenditures (Continued)</u>				
Public Safety (Continued)				
Zoning:				
Salaries	-	-	39,070	-
Mileage	-	-	234	-
Education	-	-	522	-
Total	41,550	40,550	39,826	724
Total Public Safety	423,150	430,450	424,656	5,794
Public Works:				
Water Study	6,500	7,500	7,210	290
Roads	5,000	4,000	-	4,000
Street Lighting	6,000	6,000	4,703	1,297
A.D.A.	4,000	4,000	3,852	148
Traffic Code	500	500	-	500
Total Public Works	22,000	22,000	15,765	6,235
Recreation and Cultural:				
Parks:				
Salaries	-	-	30,480	-
Maintenance	-	-	24,991	-
Consultations	-	-	1,766	-
Total	53,500	58,500	57,237	1,263
Senior:				
Salaries	-	-	3,837	-
Consultations	-	-	4,508	-
Supplies	-	-	494	-
Total	9,100	9,100	8,839	261
Reading:				
Salaries	-	-	1,150	-
Supplies	-	-	5	-
Consultations	-	-	1,534	-
Total	4,850	3,050	2,689	361
Historical:				
Utilities	-	-	544	-
Maintenance	-	-	565	-
Total	1,500	1,500	1,109	391
Total Recreation and Cultural	68,950	72,150	69,874	2,276

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended June 30, 2006

Schedule I  
Page 5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (Continued)</u>				
Other				
Medical Insurance	25,000	21,000	19,279	1,721
Insurance and Bonds	110,000	108,000	106,587	1,413
Payroll Taxes	33,000	33,000	29,612	3,388
Pension Expense	43,000	43,000	42,186	814
Longevity Benefits	2,200	2,200	1,627	573
Unrealized Loss on Investments	-	-	17,791	(17,791)
Contingency	37,000	-	-	-
Total	<u>250,200</u>	<u>207,200</u>	<u>217,082</u>	<u>(9,882)</u>
Capital Outlay	<u>6,000</u>	<u>7,000</u>	<u>33,619</u>	<u>(26,619)</u>
Total Expenditures	<u>1,251,250</u>	<u>1,306,750</u>	<u>1,306,241</u>	<u>509</u>
<u>Excess Revenues (Expenditures)</u>	<u>(250,008)</u>	<u>(305,508)</u>	<u>5,720</u>	<u>311,228</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	274,008	274,008	7,476	(266,532)
Operating Transfers Out	<u>(24,000)</u>	<u>(24,000)</u>	<u>(24,000)</u>	<u>-</u>
Total	<u>250,008</u>	<u>250,008</u>	<u>(16,524)</u>	<u>(266,532)</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(1)	<u>\$ -</u>	<u>\$ (55,500)</u>	<u>(10,804)</u>
Fund Balance – Beginning of Year			<u>385,676</u>	
Fund Balance – End of Year			<u>\$ 374,872</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.



# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Fire and Safety Fund  
For the Year Ended June 30, 2006

Schedule 2

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Current Taxes	\$ 275,000	\$ 274,500	\$ (500)
Earned Interest	<u>-</u>	<u>1,133</u>	<u>1,133</u>
Total	<u>275,000</u>	<u>275,633</u>	<u>633</u>
<u>Expenditures</u>			
Expenditures – Fire Protection	<u>247,000</u>	<u>246,929</u>	<u>71</u>
Total	<u>247,000</u>	<u>246,929</u>	<u>71</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	-	-	-
Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 28,000</u>	28,704	<u>\$ 704</u>
Fund Balance – Beginning of Year		<u>110,808</u>	
Fund Balance – End of Year		<u>\$ 139,512</u>	

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Public Improvement Fund  
For the Year Ended June 30, 2006

Schedule 3

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Revenues	\$ -	\$ -	\$ -
Total	-	-	-
<u>Expenditures</u>			
Expenditures	-	-	-
Total	-	-	-
<u>Other Financing Sources (Uses)</u>			
Transfers In	14,000	14,000	-
Transfers (Out)	-	-	-
Total	14,000	14,000	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 14,000</u>	14,000	<u>\$ -</u>
Fund Balance – Beginning of Year		80,439	
Fund Balance – End of Year		<u>\$ 94,439</u>	

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Old Mill Drive  
For the Year Ended June 30, 2006

Schedule 4

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Earned Interest	\$ -	\$ 17	\$ 17
Special Assessments – Principal	2,670	2,381	(289)
Special Assessments – Interest	-	273	273
Total	2,670	2,671	1
<u>Expenditures</u>			
Expenditures	-	-	-
Total	-	-	-
Excess Revenues (Expenditures)	2,670	2,671	1
<u>Other Financing Sources (Uses)</u>			
Transfers In	-	-	-
Transfers (Out)	-	-	-
Total	-	-	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 2,670</u>	2,671	<u>\$ 1</u>
Fund Balance – Beginning of Year		3,181	
Fund Balance – End of Year		<u>\$ 5,852</u>	

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Combining Balance Sheet Non-Major Governmental Funds June 30, 2006

Schedule 5

	Township Improvement Revolving	Metro Act	Budget Stabilization	Library Building	Retiree Insurance	Total
<u>Assets</u>						
Cash	\$ 6,034	\$ 11,358	\$ -	\$ 46,676	\$ -	\$ 64,068
Investments	-	21,505	87,200	-	50,000	158,705
Special Assessments Receivable	-	-	-	-	-	-
Total Assets	<u>\$ 6,034</u>	<u>\$ 32,863</u>	<u>\$ 87,200</u>	<u>\$ 46,676</u>	<u>\$ 50,000</u>	<u>\$ 222,773</u>
<u>Liabilities</u>						
Due to Other Funds	202	-	-	-	-	202
Escrow Deposits	<u>728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>729</u>
Total Liabilities	<u>930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>930</u>
<u>Fund Equity</u>						
Fund Balance	<u>5,104</u>	<u>32,863</u>	<u>87,200</u>	<u>46,676</u>	<u>50,000</u>	<u>221,843</u>
Total Fund Equity	<u>\$ 6,034</u>	<u>\$ 32,863</u>	<u>\$ 87,200</u>	<u>\$ 46,676</u>	<u>\$ 50,000</u>	<u>\$ 222,773</u>

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-Major Governmental Funds June 30, 2006

Schedule 6

	Township Improvement Revolving	Metro Act	Budget Stabilization	Library Building	Retiree Insurance	Total
<u>Revenues</u>						
State Shared Revenue	\$ -	\$ 21,453	\$ -	\$ -	\$ -	\$ 21,453
Earned Interest	19	-	-	-	-	19
Special Assessments – Principal	2,049	-	-	-	-	2,049
Special Assessments - Interest	162	-	-	-	-	162
Total	2,230	21,453	-	-	-	23,683
<u>Expenditures</u>						
Donation Refunds	-	-	-	21,034	-	21,034
Total	-	-	-	21,034	-	21,034
<u>Excess Revenues (Expenditures)</u>	2,230	21,453	-	(21,034)	-	2,649
<u>Other Financing Sources (Uses)</u>						
Transfers In	-	-	-	-	10,000	10,000
Transfers (Out)	(6,595)	-	-	-	-	(6,595)
Total	(6,595)	-	-	-	10,000	3,405
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(4,365)	21,453	-	(21,034)	10,000	6,054
Fund Balance – Beginning of Year	9,469	11,410	87,200	67,710	40,000	215,789
Fund Balance – End of Year	\$ 5,104	\$ 32,863	\$ 87,200	\$ 46,676	\$ 50,000	\$ 221,843

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Combining Balance Sheet Township Improvement Revolving Fund June 30, 2006

Schedule 7

<u>Assets</u>	<u>Long Lake Peninsula</u>	<u>Private Easement</u>	<u>Bobby's Trail</u>	<u>Gypsy Moth</u>	<u>Total</u>
Cash	\$ 930	\$ -	\$ -	\$ 5,104	\$ 6,034
Special Assessments	-	-	-	-	-
Total Assets	<u>\$ 930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,104</u>	<u>\$ 6,034</u>
 <u>Liabilities</u>					
Due to Other Funds	202	-	-	-	202
Escrow Deposits	728	-	-	-	728
Deferred Revenues	-	-	-	-	-
Total Liabilities	<u>930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>930</u>
 <u>Fund Equity</u>					
Fund Balance	-	-	-	5,104	5,104
Total Liabilities and Fund Equity	<u>\$ 930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,104</u>	<u>\$ 6,034</u>

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

## Long Lake Township Combining Statement of Revenues, Expenditures and Changes in Fund Balance Township Improvement Revolving Fund For the Year Ended June 30, 2006

Schedule 8

	Long Lake Peninsula	Private Easement	Bobby's Trail	Gypsy Moth	Total
<u>Assets</u>					
Earned Interest	\$ -	\$ 4	\$ 11	\$ 4	\$ 19
Special Assessments	-	751	1,298	-	2,049
Special Assessments - Interest	-	61	101	-	162
Total	-	816	1,410	4	2,230
<u>Expenditures</u>	-	-	-	-	-
Total	-	-	-	-	-
<u>Excess Revenues (Expenditures)</u>	-	816	1,410	4	2,230
<u>Other Financing Sources (Uses)</u>					
Transfers In	-	-	-	-	-
Transfers (Out)	-	(1,995)	(4,600)	-	(6,595)
Total	-	(1,995)	(4,600)	-	(6,595)
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	-	(1,179)	(3,190)	4	(4,365)
Fund Balance – Beginning of Year	-	1,179	3,190	5,100	9,469
Fund Balance – End of Year	\$ -	\$ -	\$ -	\$ 5,104	\$ 5,104

The Notes to the Basic Financial statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended June 30, 2006

Schedule 9

		Trust and Agency Fund		
		Balance 6/30/05	Additions	Deductions
				Balance 6/30/06
<u>Assets</u>				
Cash		\$ 8,068	\$ 2,839	\$ 2,810
				\$ 8,097
Total Assets		\$ 8,068	\$ 2,839	\$ 2,810
				\$ 8,097
<u>Liabilities</u>				
Undistributed Taxes and Interest		\$ -	\$ -	\$ -
Escrow Deposits		8,068	2,839	2,810
				8,097
Total Liabilities		\$ 8,068	\$ 2,839	\$ 2,810
				\$ 8,097
		Current Tax Collection Fund		
		Balance 6/30/05	Additions	Deductions
				Balance 6/30/06
<u>Assets</u>				
Cash		\$ 176	\$ 9,256,264	\$ 9,256,357
				\$ 83
Total Assets		\$ 176	\$ 9,256,264	\$ 9,256,357
				\$ 83
<u>Liabilities</u>				
Undistributed Taxes and Interest		\$ 176	\$ 9,256,264	\$ 9,256,357
Escrow Deposits		-	-	-
				-
Total Liabilities		\$ 176	\$ 9,256,264	\$ 9,256,357
				\$ 83
		Total		
		Balance 6/30/05	Additions	Deductions
				Balance 6/30/06
<u>Assets</u>				
Cash		\$ 8,244	\$ 9,259,103	\$ 9,259,167
				\$ 8,180
Total Assets		\$ 8,244	\$ 9,259,103	\$ 9,259,167
				\$ 8,180
<u>Liabilities</u>				
Undistributed Taxes and Interest		\$ 176	\$ 9,256,264	\$ 9,256,357
Escrow Deposits		8,068	2,839	2,810
				8,097
Total Liabilities		\$ 8,244	\$ 9,259,103	\$ 9,259,167
				\$ 8,180

The Notes to the Basic Financial Statements are an integral part of this statement.



# Tobin & Co.

## Long Lake Township 2005 Property Tax Levy and Collections For the Year Ended June 30, 2006

Schedule 10

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	3.3877	\$ 1,638,169	\$ 1,547,836	\$ 90,333
Medical Care Facility	0.6725	216,784	202,524	14,260
Commission on Aging	0.4955	159,689	149,215	10,474
B.A.T.A.	0.3380	108,945	101,779	7,166
School District	21.1000	2,642,698	2,510,458	132,240
State Education	6.0000	1,933,498	1,868,823	64,675
Intermediate School District	2.9589	953,889	921,590	32,299
Community College	2.9427	948,584	901,343	47,241
District Library	1.1590	373,607	349,028	24,579
Township:				
General	0.7012	226,037	211,168	14,869
Fire and Police	0.8499	273,962	255,952	18,010
Tax Administration Fees		<u>88,602</u>	<u>84,479</u>	<u>4,123</u>
Total		<u>\$ 9,564,464</u>	<u>\$ 9,104,195</u>	<u>\$ 460,269</u>

State Equalized Valuation	\$459,623,900
Taxable Valuation	\$322,239,280
Percent of Levy Collected	95.19%

The Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Long Lake Township  
Statement of Revenues and Expenditures  
Property Tax Administration Fees  
June 30, 2006

Schedule 11

## Revenues

Property Tax Administration Fees	\$ 88,513
Total Revenues	<u>88,513</u>

## Expenditures

Assessor Expenses – 100%	51,164
Treasurer Expenses:	
Salary and Fringe Benefits – 75%	39,894
Supplies, Postage, Mileage – 75%	8,699
Board of Review Expenses – 100%	800
Telephone and Utilities	1,000
Insurance and Fringe Benefits	2,500
Use of Building	<u>500</u>
Total Expenditures	<u>104,557</u>
<u>Excess Revenues (Expenditures)</u>	(16,044)
<u>Excess Revenues (Expenditures) – Prior Years</u>	<u>(242,901)</u>
<u>Accumulated Excess Revenues (Expenditures)</u>	<u>\$ (258,945)</u>

The Notes to the Basic Financial Statements are an integral part of this statement.